



Billing Code: 4210-67

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5768-N-01]**

**Request for Comment on Proposed Changes to the Survey of New Manufactured (Mobile)**

**Home Placements Data Collection Methodology**

**AGENCY:** Office of the Assistant Secretary for Policy Development and Research, HUD.

**ACTION:** Notice.

**SUMMARY:** This notice announces that HUD is soliciting public comments regarding changes to the data collection methodology for Survey of New Manufactured (Mobile) Home Placements, commonly referred to as the Manufactured Homes Survey. The goal of the data collection methodology changes is to reduce survey costs while continuing to produce statutorily-mandated estimates of prices of manufactured housing for the nation and for states, as well as important characteristics of new units produced and sold.

**DATES:** Comments Due Date: [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Interested persons are invited to submit comments regarding this proposal. Comments must refer to the above docket number and title. There are two methods for submitting public comments.

**1. Submission of Comments by Mail.** Comments may be submitted by mail to Shawn Bucholtz, Director, Housing and Demographic Analysis Division, Office of Policy Development

and Research, Department of Housing and Urban Development, 451 7th St. SW., Room 8222, Washington, DC 20410. Due to security measures at all federal agencies, however, submission of comments by mail often results in delayed delivery. To ensure timely receipt of comments, HUD recommends that comments submitted by mail be submitted at least two weeks in advance of the public comment deadline.

**2. Electronic Submission of Comments.** Interested persons may submit comments electronically through the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov). HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the [www.regulations.gov](http://www.regulations.gov) web site can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

**Note:** To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the rule.

**No Facsimile Comments.** Facsimile (FAX) comments are not acceptable.

**Public Inspection of Public Comments.** All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number).

Individuals with speech or hearing impairments may access this number through TTY by calling the Federal Relay Service at 800–877–8339. Copies of all comments submitted are available for inspection and downloading at <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:** Shawn Bucholtz, Director, Housing and Demographic Analysis Division, Office of Policy Development and Research, 451 7th Street SW, Room 8222, Washington, DC 20410-0500, telephone number 202-402–5538 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number via TTY by calling the toll-free Federal Relay Service at telephone number 1–800-8–77–8339.

## **SUPPLEMENTARY INFORMATION:**

### **A. Background**

As required by statute<sup>a</sup>, HUD annually sponsors the Survey of New Manufactured (Mobile) Home Placements, commonly referred to as the Manufactured Homes Survey (MHS). The MHS collects data on the placement<sup>b</sup>, price, and characteristics of new manufactured homes. Consistent with the statute, the MHS is used to produce annual estimates of price for the nation, Census regions, and for each state. Although not required by statute, the MHS is also used to produce monthly estimates of price, placements, and dealer inventory for the nation, and annual estimates of selected characteristics of new manufactured units. Each year, HUD enters into an Interagency Agreement with the Census Bureau to conduct the survey and publish survey results. HUD annually spends approximately \$820,000 for the MHS.

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<sup>a</sup> The statutory mandate for HUD to conduct the MHS is found at 12 U.S.C. 1703 Notes Section 308(e) of Pub. L. 96-399.

<sup>b</sup> A manufactured home is considered placed when it put on a site for residential use.

Manufactured housing units, as a share of all new housing units, have been declining over the past decade. In 2011 and 2012, manufactured housing units represented about 8 percent of all housing units constructed. There were 55,000 manufactured housing units constructed in 2012.

## **B. Current Data Collection Methodology**

Under its regulatory authority to set and certify compliance with construction standards for manufactured housing, each month HUD provides Census with a list of all manufactured housing units shipped to dealers (these are used to make national and state-level shipment counts). The Census Bureau draws a sample of the units shipped to dealers and sends the MHS form to the dealer to which each sampled unit was shipped. The dealer fills out the MHS form for each unit that has been placed at its final destination. If a unit has not yet been placed (meaning it is still part of a dealer's inventory), the Census Bureau contacts the dealer each month to inquire about the status until the unit is placed at its final destination and the dealer returns the MHS form. These monthly follow-up calls to dealers are necessary in order to produce placement and dealer inventory estimates. The Census Bureau estimates that the annual cost to produce estimates of placements and dealer inventory is \$467,000, or 58 percent of the entire cost of the survey.

## **C. Reconsidering the Usefulness of Placement and Dealer Inventory Estimates**

The production of a manufactured home begins when an individual places an order for a new home with a dealer. The dealer then relays the order to the manufacturer. When the manufacturing process is complete, the home is shipped to the dealer, where it remains until the final destination site on which it is to be placed is ready to receive the unit.

Considering today's industry practices, placement estimates do not add additional useful information for estimating demand beyond what can be gleaned from shipment counts. Unlike twenty years ago, manufactured homes today are typically produced on an "on demand" or "as ordered" basis. The result of the industry shift towards "as ordered" is that the number of shipments and number of placements are essentially (and statistically) measuring the same thing. The correlation coefficient between annual national-level shipment counts and annual national-level placement estimates between 2006 and 2012 was 0.99. Furthermore, about 90 percent of all new manufactured homes are eventually placed in the same state to which they were shipped.

The dealer inventory estimate is not measuring a supply of housing units waiting to be sold. Rather, it is estimating the number of manufactured housing units already sold and waiting to be transported to their final destination. That is, the "dealer inventory" of manufactured homes as currently measured by MHS is more akin to counting the goods sitting on the front porches of customers of an internet retailer rather than counting the goods sitting in the company's warehouse.

#### **D. Proposed Changes to the Data Collection Methodology**

HUD is considering changing the MHS data collection methodology to eliminate follow-

up calls with dealers, beginning in fiscal year 2015. The impact of this change is that the MHS would no longer be used to produce estimates of final placements or dealer inventory.

Consistent with the MHS statute, the MHS would continue to be used to produce annual estimates of price for the nation, Census Regions, and states. The MHS would also continue to be used to produce monthly estimates of price for the nation and annual estimates of selected characteristics of manufactured housing units. This proposed change to the MHS data collection methodology is estimated to save up to \$467,000 per year.

#### **D. Request for Comments**

HUD is seeking information from the public regarding these proposed changes to the MHS for fiscal year 2015 and beyond. Governmental policy makers, academic researchers, MHS data users, and other interested parties are encouraged to participate by submitting comments. Official address, contact, and due date for submitting comments are stated above.

Dated: January 17, 2014.

Jean Lin Pao  
General Deputy Assistant Secretary  
for Policy Development and Research

[FR-5768-N-01]

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